



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

September 24, 2003  
(House)

## STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

### **H.R. 2557 – Water Resources Development Act of 2003**

(Rep. Young (R) AK and 3 cosponsors)

The Administration appreciates the work of the Committee on Transportation and Infrastructure in reporting H.R. 2557 and supports Congressional efforts to improve the Army Corps of Engineers Civil Works program. Although we cannot currently support H.R. 2557 as reported, we are committed to working with the Congress to modify it.

#### Fiscal Discipline

The primary concern is fiscal discipline. H.R. 2557 currently authorizes numerous new water resources projects and modifications to existing projects at an estimated cost to the Federal government of over \$4 billion. These authorizations will create expectations for future funding that cannot be met given competing fiscal priorities including deficit reduction. If funded along with all existing projects, the authorizations in this bill would further delay the completion of the over \$20 billion backlog of the Corps' ongoing construction work.

The Administration would support the authorization and funding of new projects if they were offset by stopping work on current projects that result in fewer net benefits for the public. The funding of new projects along with ongoing projects causes construction schedules to become stretched out, and the benefits of all projects are further delayed.

The Administration welcomes the provision in the bill that makes it easier to deauthorize inactive projects in the future. While this provision falls far short of offsetting the hundreds of new authorizations in the bill, it is a step in the right direction.

In addition, many of the newly authorized projects and project modifications authorized in the bill have not been subjected to review by the Executive Branch. Congress should support the Executive Branch review process, which helps ensure that projects are technically, economically, and environmentally sound.

Finally, H.R. 2557 includes cost-sharing provisions that are costly and problematic. Section 2003 of the bill, for example, would reduce the portion of the costs that non-Federal interests must pay to deepen certain ports and channels. The Administration strongly objects to this provision, which would cost the Federal Government more than a billion dollars just for the projects that the Corps already has proposed. It would primarily favor a limited number of coastal ports and

reduce the amount of funding available for other, potentially higher priority Corps activities nationwide.

### Corps Transformation

The Administration commends the Committee for including Section 2026, establishing centers of planning excellence.

The Administration also supports the intent of Section 2033, which subjects certain water resource studies to peer review by an independent panel of experts. We look forward to working with Congress to refine the details of the peer review proposal.

### Mission Focus

H.R. 2557 contains numerous provisions that expand Corps activities and the Corps cost-sharing responsibilities. The Administration opposes Sections 2007, 2009, and other provisions in H.R. 2557 that would divert the Corps from fulfilling its traditional missions. If the Federal cost share were to be increased as proposed, the Administration strongly urges the Congress to adopt a “budget neutral” approach by including comparable decreases in the Federal cost share of traditional Corps activities. The Administration also has concerns regarding Section 2006, which would significantly diminish accountability, nationwide consistency, and oversight of projects.

Finally, the Administration is not prepared at this time to agree that the Corps should be put in charge of a revised or significantly modified environmental review process, as envisioned by sections 2027 and 2028. Although the Administration acknowledges that the existing processes sometimes can be lengthy and time-consuming, we intend to work with Congress to ensure environmental review provisions are optimized to promote effectiveness, efficiency, and timeliness.

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